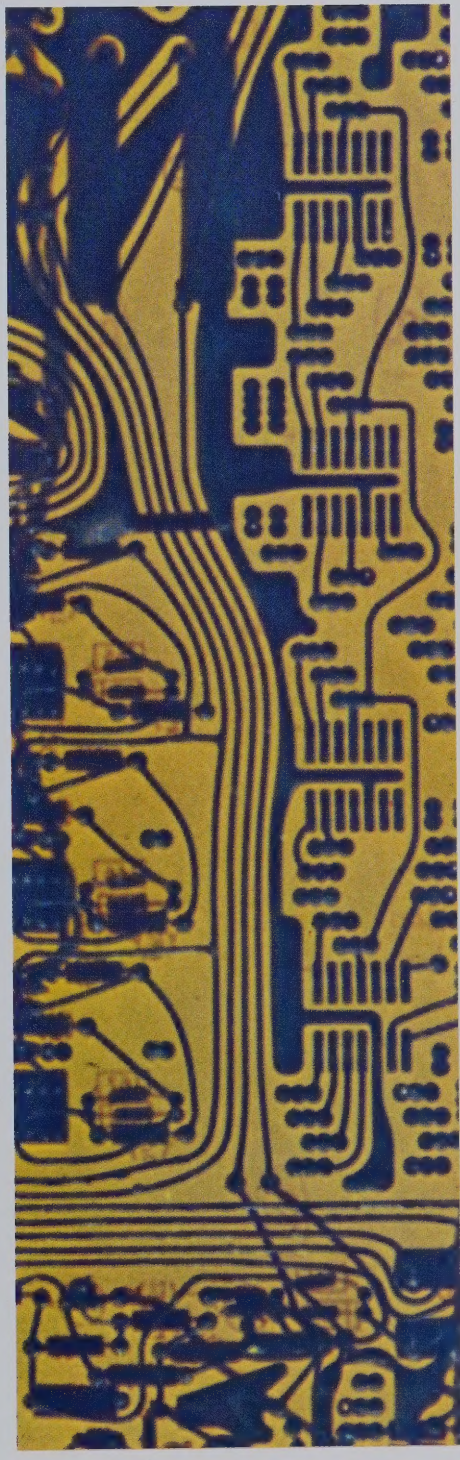
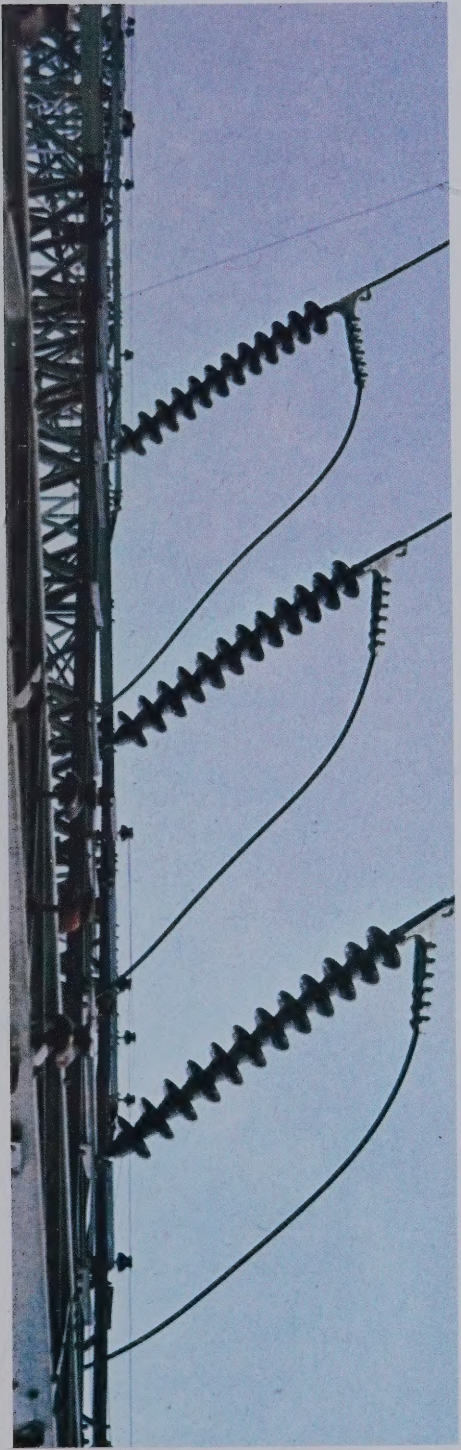


Expansion-70



Square D Company

Executive Offices

Executive Plaza, Park Ridge, Illinois 60068
(Incorporated in State of Michigan 1903)

Annual Meeting

Fourth Tuesday in April

Capital Stock Listing (SQD)

New York Stock Exchange

Transfer Agents

National Bank of Detroit
Detroit, Michigan 48232

Morgan Guaranty Trust Company of New York
New York, New York 10015

Registrars

The Detroit Bank & Trust Company
Detroit, Michigan 48231

Bankers Trust Company
New York, New York 10015

Shareholders of Record

23,000



Square D Company

annual report
for the year ended
December 31, 1970

Summary of 1970 Operations

(000 omitted)

1970

1969

Sales

\$259,427

\$253,945

Net Earnings

Before Taxes

50,132

55,790

After Taxes

25,287

26,117

Per Sales Dollar

.10

.10

Earnings Per Share

1.18

1.22

Dividends Declared (Cash)

Total

20,328

19,902

Per Share

.95

.93

Working Capital

87,767

87,569

Property, Plant and Equipment

Net Value—December 31

38,056

33,827

Gross Additions

8,657

8,628

Depreciation

4,549

3,430

Shareholders' Equity—December 31

Total

128,999

124,234

Per Share

6.03

5.81

Note: Amounts for 1969 have been restated to reflect 1970 pooling of interests.

Cover

Photos depict areas of expansion by Square D during 1970. They include entrance into the electric utility market through the acquisition of Anderson Electric; expansion of business in the building construction market through the acquisition of Sorgel Electric; and expansion of Square D products for industry, typified by a close-up view of a printed circuit board used in new Square D electronic controls for a unique General Motors welding machine.

Contents

2 Letter to Shareholders	12 Financial Statements
4 Expansion/70	16 Ten Year Summary
4 Anderson Electric	
5 Ferro Fabricating	Inside Back Cover
6 Sorgel Electric	Directors
7 Square D Facilities	Officers
9 Square D Products	Operations

TO OUR SHAREHOLDERS:



Consolidated net sales for the year ending December 31, 1970 totalled \$259,427,295 compared to \$253,944,934 in 1969.

Consolidated net earnings were \$25,287,216, or \$1.18-per-share, compared to \$26,117,300, or \$1.22-per-share in 1969.

Results of operations in 1969 have been restated to include Anderson Electric Corporation on a pooling of interests basis.

Operations throughout 1970 were subjected to adverse conditions of unusual severity. During the first nine months of the year, the Company was able to partially offset these conditions to produce net earnings per share equal to those for the same period in 1969. However in the fourth quarter, the dramatic slowdown in the national economy, the widespread impact of the General Motors strike on some of the markets served by Square D and a six-week strike at our Cleveland, Ohio, plant resulted in a decline in earnings.

Among conditions which affected operations during the year, the most significant was the continuing escalation of increases in labor and materials costs. Also during 1970, routine production operations were disrupted by the nationwide trucking strike that affected all Square D facilities in the spring.

To help offset increased costs, the Company increased prices on a significant number of products, including one line which had not been increased in price since 1958.

EXPANSION/70

In the 1969 Annual Report, the Company's intent to participate aggressively in growth opportunities in the 1970's was presented in the long range plan for growth. During the past

year, many aspects of this plan were initiated, resulting in

☐ three acquisitions made in accordance with the Company's long standing policy of acquiring firms that manufacture products which supplement or complement Square D product lines. One acquisition, that of Anderson Electric Corporation, was completed in April, 1970, and operating results have been included in Square D's financial statements. The two other acquisitions, those of Sorgel Electric Corporation and Ferro Fabricating Co., Inc., were initiated in 1970 and completed in early 1971. The operating results of these two firms will be consolidated with Square D results in 1971.

☐ completion of four facilities and start-up of two other construction projects in domestic operations and beginning of two expansion projects in foreign operations.

☐ changes in Square D operations, including the creation of a new physical distribution system organization.

☐ introduction of more new products to existing markets, highlighted by a new line of equipment expanding the control system capabilities of the Company.

The progress achieved in the many-sided plan for growth and expansion is described under the theme "Expansion/70" beginning on page four of this report.

MANAGEMENT CHANGES

Changes in management in 1970 included the following:

J. F. Magin, an officer since 1953, was assigned to the newly created position of Vice President—Planning and Physical Distribution. Included in his new assignment to improve customer

service is the creation of a separate organization within the Company to manage all operations involved in the physical distribution of products.

Walter G. Nollenberger, who was named Group Manager of the newly created Assembly Group in early 1970, was elected Vice President—Group Manager in December. He is responsible for the operation of the headquarters manufacturing facility of the Group in Peru, Indiana, and eight U.S. assembly plants.

Robert E. King, Product Manager in the Marketing Division, was elected a Commercial Vice President.



M. P. Kartalia
President

By Order of the Board of Directors,
March 22, 1971

Expansion of business into new domestic and foreign markets.

Expansion of business in existing domestic and foreign markets.

These are the primary objectives of Square D's long-range plan for growth. Initiated in 1969, the plan will result in the following:

☐ direct entrance into the fast growing electric utility market through the acquisition of Anderson Electric, Ferro Fabricating, and Sorgel Electric.

☐ expansion of production and customer service capabilities through a continuing facilities construction and improvement program.

☐ increased product capabilities for existing markets through the acquisition of Sorgel Electric and the introduction of new products resulting from Square D research and development programs.

Details of the major projects of 1970 in the Square D plan for growth are described here.

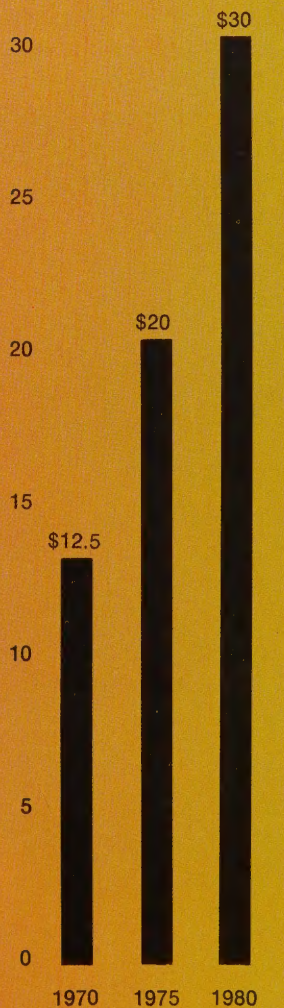
ANDERSON ELECTRIC

Electric utilities in the United States are expected to spend \$195 billion in the 1970's for generating plants, transmission lines and distribution systems. This amount, in current dollars, is based upon forecasts of continually increasing demand for electricity by industrial, residential and commercial users, and is three times more than the \$62 billion spent by utilities from 1960 through 1969.

To participate in this large and expanding market, Square D Company acquired Anderson Electric Corporation, a 45-year-old manufacturer of products used primarily by utilities. Foremost among these products are basic lines of connectors, clamps, fittings and other devices required in the installation of wire and cable in transmission lines and distribution systems.

CAPITAL EXPENDITURES
by electric utility companies
projected for construction of
generating facilities, transmis-
sion lines and distribution
systems.

in billions of current dollars



Source: ELECTRICAL WORLD magazine

Some of these products as well as lugs and other devices also are used in transformers and related electrical equipment.

Anderson also manufactures tools for electric utilities, including patented Versa-Crimp® compression tools for connecting wire and cable and insulated "hot line" tools for use in the construction and repair of energized transmission lines and distribution systems.

In another aspect of its operations, Anderson also provides substations to utilities. Substations are installed at intervals along transmission lines to take off power for distribution to customers in the vicinity.

In addition to applications in the electric utility market, many Anderson products are used in the industrial markets served by Square D. These products are now being channeled through Square D's extensive distribution network and volume in these markets is expected to grow.

Anderson Electric, a wholly-owned subsidiary of Square D, employs approximately 1,000 persons and utilizes a total of approximately 230,000 square feet of production and office area in its headquarters offices and manufacturing facility in Leeds, Ala., and production plants in Clanton and Helena, Ala.

FERRO FABRICATING

Better utilization of right-of-way land and improvement in the appearance of functional structures are two requirements creating a fast growing market for steel poles in the high voltage transmission lines of electric utilities.

A new line of self-supporting steel transmission poles called Galaxi™ Towers, was introduced to a limited number of Anderson utility customers. A pilot run of poles, including units standing as high as 170 feet and



1.

1. Primary manufacturing activity of Anderson Electric is the production of electrical connectors and other devices from alloys of bronze and aluminum.

2. This new SCAF clamp is a substantial improvement in the connection of high voltage lines to transmission towers. Fast and economical to install, the clamp is designed to prevent damage of transmission lines which vibrate constantly due to low velocity winds between 4 and 20 miles per hour.

3. These electrical clamps are typical of the basic lines of standard devices which make up the bulk of Anderson's business in the utility market.

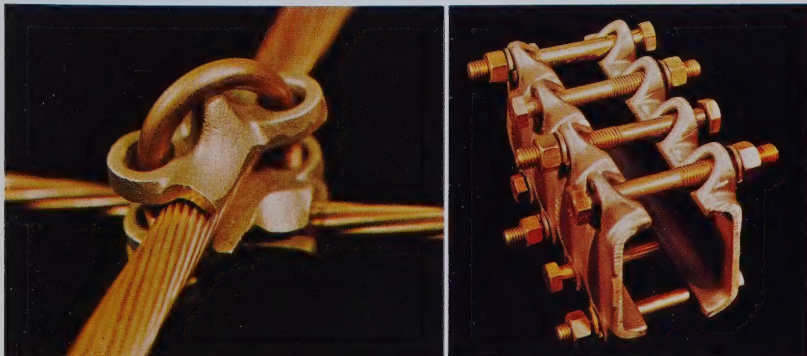
4. Minimum right-of-way, an increasingly important consideration of utilities in the installation of high voltage transmission lines, is achieved in the new Galaxi Tower line of tapered steel transmission poles.



2.



4.



3.

weighing as much as 40,000 pounds, was produced by Ferro Fabricating Company, Inc., Birmingham, Ala.

In 1970, based upon intensive market research, a decision was made to enter the market as quickly and efficiently as possible. As part of this decision, Square D acquired Ferro Fabricating in February, 1971, enabling immediate production with experienced management and operating personnel.

SORGEL ELECTRIC

The electrical energy supplied to users from utility distribution systems normally requires reduction to voltage levels suitable to the customer's needs. A transformer changes the power from utility voltages to user levels.

In building construction, transformers are specified by the consulting electrical engineer, purchased and installed by the electrical contractor, and become the property of the building owner. In some instances, transformers are purchased and installed by the electric utility providing power to the building. In either case, transformers are essential elements in the electrical systems of buildings.

To strengthen its position in the construction market, Square D added transformers to its basic lines of distribution equipment through the acquisition of Sorgel Electric Corporation. This company, with a remarkable growth record in recent years, manufactures dry-type transformers and related equipment for a variety of markets. Of these, construction is the largest and oldest for Sorgel, and the bulk of the company's products are lines of standard transformers designed for office buildings, hospitals, schools, motels, shopping centers, industrial plants and other commercial and institutional buildings and facilities.

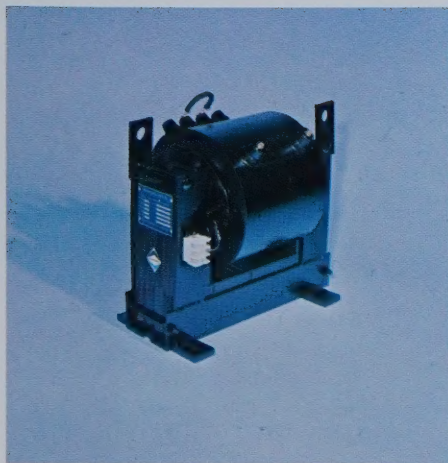


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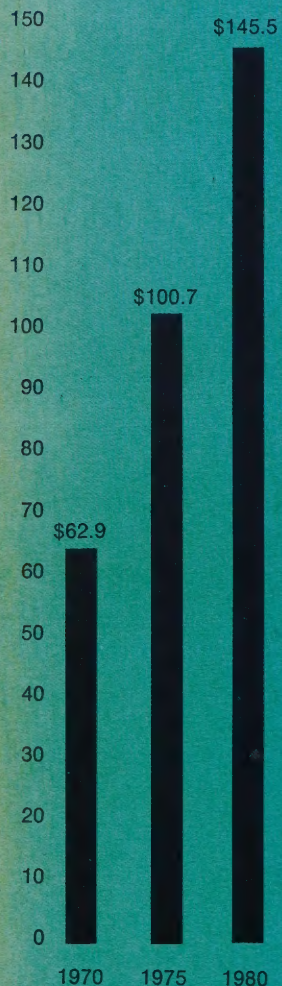
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1. Strands of aluminum wire are wrapped into a cylindrical form in a basic stage of transformer production at Sorgel Electric.
2. Lighting transformer is typical of the basic lines of equipment manufactured by Sorgel Electric. Product is used in commercial and institutional buildings to reduce voltages to levels suitable for lighting systems.
3. Saturable reactor is a device which acts as an electrically-controlled "choke valve" on an electric circuit. Saturable reactors are used to control the speeds of automated machinery and process lines.
4. Hospital isolating panel distributes electrical service to intensive care, x-ray and operating rooms which is independent of other electrical systems in the building. Sorgel panel features instant detection of minute amounts of leakage of electricity which could be dangerous to patients and hospital staff personnel and provides immediate warning of a hazardous condition.
5. Control power transformer provides the power necessary to operate high voltage switchgear in utility substations. Device also is used to activate high voltage starters in industrial plants.



CONSTRUCTION EXPENDITURES projected for residential and non-residential buildings.

in billions of current dollars



Source: PREDICASTS, INC.

For utilities, Sorgel manufactures transformers for utility distribution systems, including lines of outdoor pad-mount units and high voltage equipment for use in high-rise apartments.

Sorgel also produces a range of equipment for industrial markets, such as motor starting autotransformers for use in combination motor starters, power supplies for general purpose industrial applications, special controls for industrial ovens and furnaces and control transformers for machine tools.

The acquisition of Sorgel was completed in February, 1971, and the firm is now a wholly-owned subsidiary of Square D. Headquartered in Milwaukee, Wis., Sorgel employs approximately 350 persons. The company uses a total of 200,000 square feet of floor space, up from 60,000 square feet in 1966.

SQUARE D FACILITIES

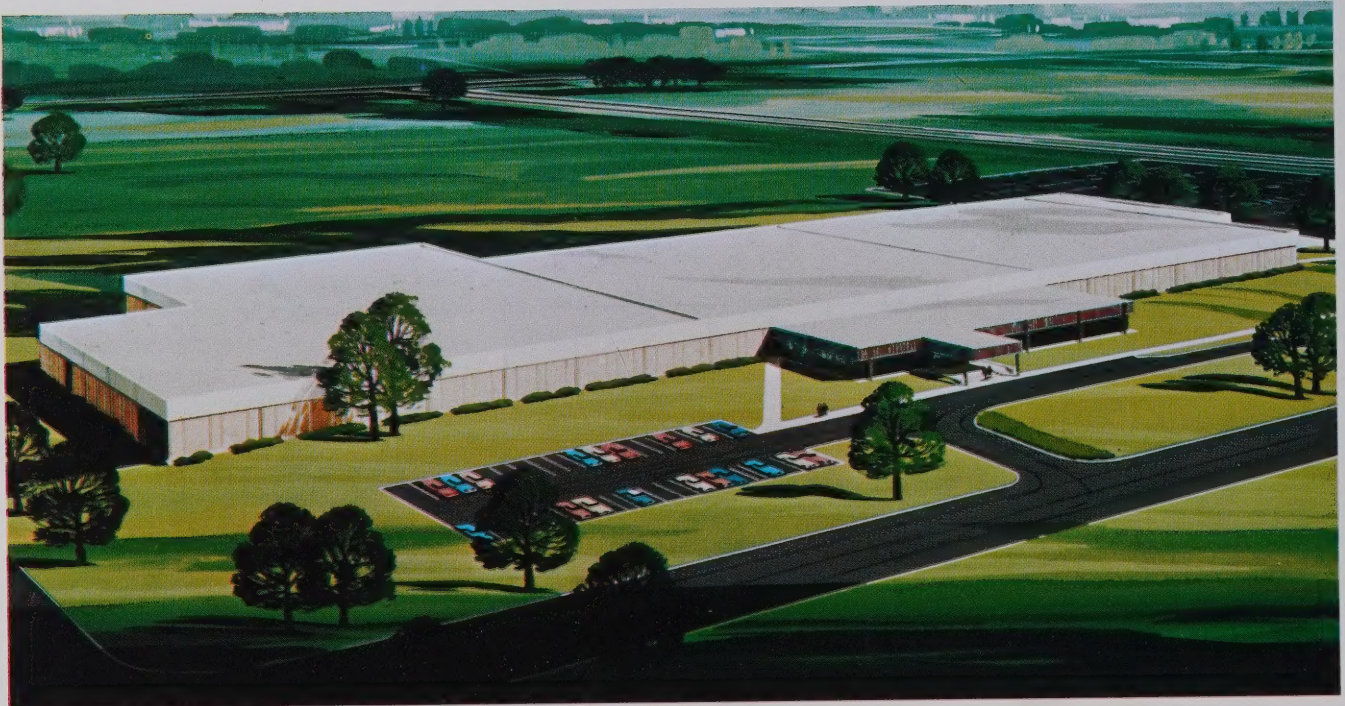
Within the Square D long range plan for growth is a continuing program for expanding facilities at a rate consistent with projected demands for distribution and control products in residential and non-residential building construction and in industrial markets.

At the end of 1969, approximately 2,950,000 square feet of production, warehousing and office space were used in the U. S. operations of the Company. By the end of 1970, this was increased to 3,430,000 square feet. When present construction in progress is completed in 1971, and with the addition of the acquired facilities of Ferro Fabricating and Sorgel Electric, total floor space of U. S. operations will amount to 3,850,000 square feet.

Expansion of domestic manufacturing facilities in 1970 consisted of:



1.



2.



3.



1. Modern facilities to manufacture busway products were placed into operation in the new addition to the Square D Oxford plant during 1970.



2. Now under construction, the new Square D plant in Lincoln, Nebraska, will be used to manufacture smaller-sized circuit breakers used primarily in homes and office buildings.

3. Efficient utilization of warehousing space is featured in the Square D distribution service center in Lyndhurst, N. J.

□ Completion of a 110,000-square-foot addition to the Oxford, Ohio, plant, bringing total floor area to 248,000 square feet. Products now made in Oxford are busways, wireways and underfloor raceways.

□ Completion of an expansion and modernization project at the 195,000-square-foot plant in Peru, Ind. Headquarters for the Assembly Group, this facility manufactures component parts for products assembled in the regional assembly plants.

□ Construction of a 148,800-square-foot plant in Lincoln, Nebr. to be used to manufacture circuit breakers.

□ Construction of 59,000 square feet at the Asheville, N. C., plant to bring total plant area to more than 200,000 square feet. Asheville products include pressure, vacuum and temperature switches, push buttons, relays and other types of control devices.

Expansion of physical distribution facilities in 1970 consisted of completion of the 53,000-square-foot distribution service center in Lyndhurst, N. J., and the establishment of a 32,000-square-foot distribution service center in Omaha, Nebr.

In foreign operations are a 58,000-square-foot addition to the Swindon, England, manufacturing plant, and a 19,000-square-foot addition to the Stratford, Canada, manufacturing facility.

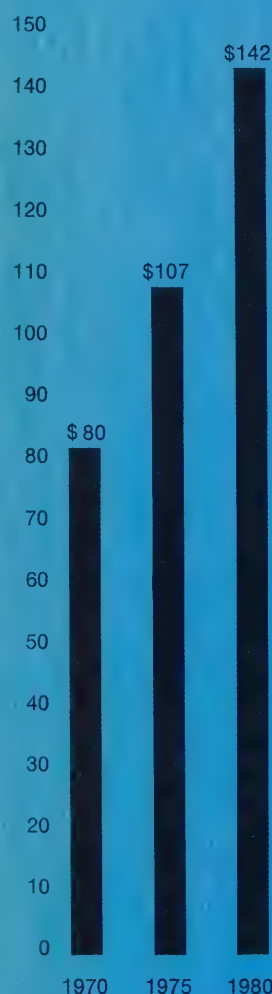
SQUARE D PRODUCTS

To increase business in existing markets, Square D in 1970 brought to market a variety of new lines of equipment as well as improvements and expansions of basic products.

The most complex and technologically advanced products were the control

CAPITAL EXPENDITURES
by business projected for new
plants and equipment.

in billions of current dollars



Source: PREDICASTS, INC.

systems designed and built by Square D for unique Six-Axis-Manipulator (SAM) welding machines developed by the Fisher Body Division of General Motors. The controls enable SAM to move in six directions simultaneously and incorporate many electronic features found in computers, including use of miniature integrated circuits and memory cores.

New standard control equipment was introduced to industrial customers by the Company in 1970. Consisting of three types of basic equipment, the new line enables simplified "building block" design and construction of control systems to specific user needs. Basic equipment includes Norpak® solid state logic devices packaged in new plug-in enclosures; a program sequence controller capable of automating the operations of individual industrial machines; and a programmable controller which can control the operation of more than one machine and be operated directly by a computer. Incorporated into control systems designed and built by Square D, the programmable controller is made by Digital Equipment Corporation, Maynard, Mass.

Primary markets for the new line of systems include automotive, machine tool, materials handling, rubber, plastics, packaging, steel and foundry industries.

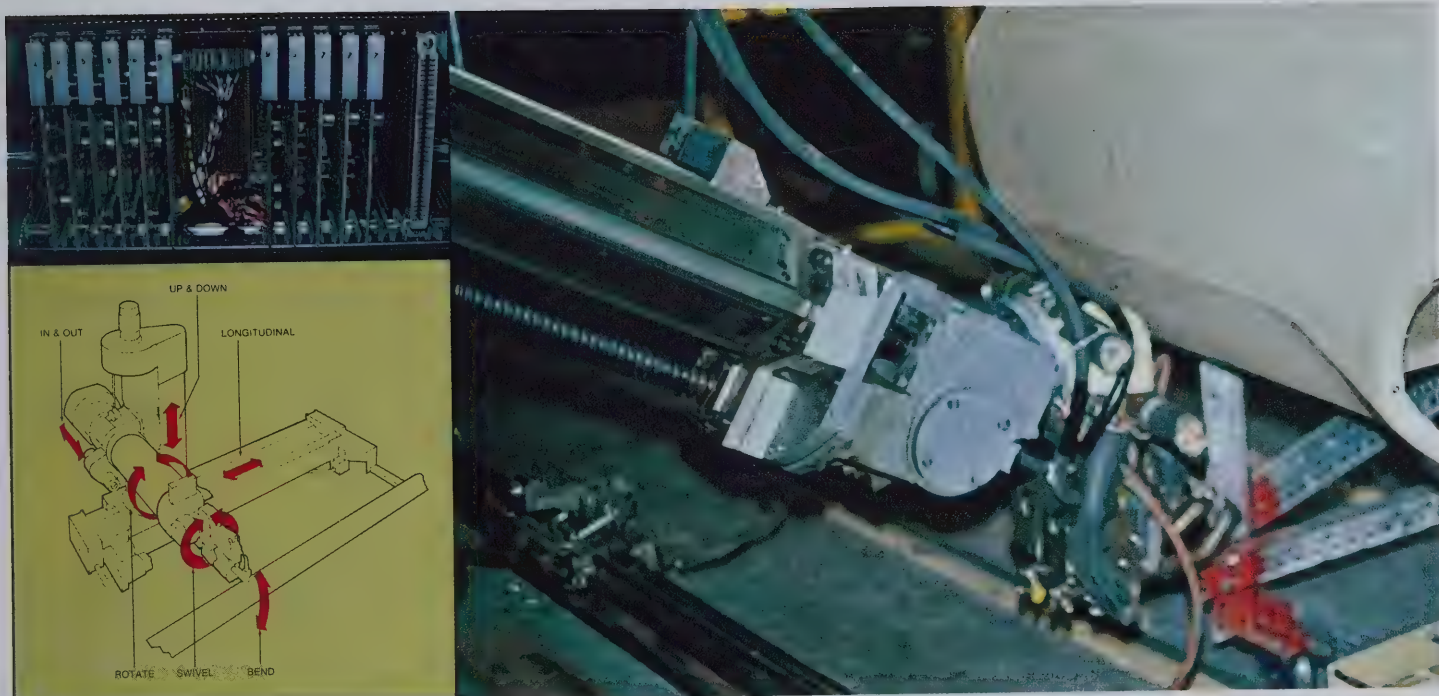
New distribution products consisted of additions to the many new lines of equipment brought to market in recent years. Most significant of the 1970 devices are high capacity molded case circuit breakers which greatly extend the line of circuit breakers wholly developed and manufactured by Square D.

1. An unusual and highly sophisticated welding machine called a Six-Axis-Manipulator, or SAM, was developed by the Fisher Body Division of General Motors. As illustrated in the diagram, the machine can move in six directions simultaneously as it welds car bodies moving down production lines. Completely automatic, SAM is guided through its movements by means of a complex solid state control system developed by Square D. Extensive tests of the controls with a SAM unit were conducted, including many with a prototype model of a car fender assembly. Also shown is a portion of the controls for SAM made by the Company.

2. Equipped with new plug-in Norpak components, solid state control system for a food processing line undergoes final testing. New design for Norpak controls features compact size, an important consideration of machine tool and transfer line manufacturers.

3. This 2000 ampere molded case circuit breaker is one of several high capacity units brought to market by Square D in 1970. The circuit breakers, which are equipped with exclusive innovations to simplify installation and inspection, have widespread application in the electrical service entrance equipment installed in industrial, commercial and institutional buildings.

4. Requirements to use computer programming techniques and languages are eliminated by use of this simple matrix board in the new Square D program sequence controller for automating industrial machines and process lines.



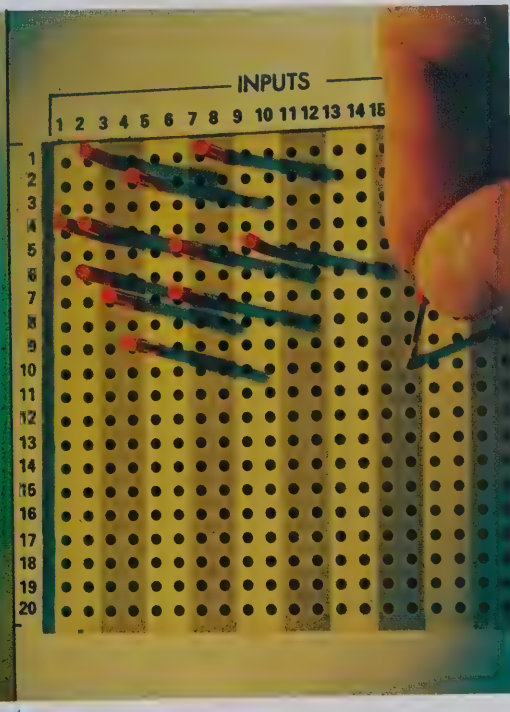
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4.

Square D Company and Consolidated Subsidiaries

Consolidated Balance Sheet

		December 31	
		1970	1969
Assets:			
Current Assets:			
Cash		\$ 5,603,875	\$ 6,034,335
Marketable securities—at cost (approximates market) ..		15,060,721	21,041,496
Receivables, less allowances for losses, adjustments and discounts (1970—\$750,000; 1969—\$700,728) ...		29,474,928	31,040,472
Inventories (Note B)		67,190,986	63,162,762
Insurance and other prepaid expenses		1,493,267	1,177,327
Total Current Assets		118,823,777	122,456,392
Property, Plant And Equipment—at cost:			
Land		2,605,125	2,129,842
Buildings and land improvements		37,015,753	33,844,706
Equipment		40,334,581	35,242,291
		79,955,459	71,216,839
Less accumulated depreciation, provided substantially by accelerated methods		41,899,167	37,389,631
		38,056,292	33,827,208
Investments In Unconsolidated Foreign Affiliates— at cost (Note A)		2,799,594	2,799,594
Other Assets, principally deferred tax benefits		2,753,785	2,980,436
		\$162,433,448	\$162,063,630
Liabilities and Shareholders' Equity:			
Current Liabilities:			
Notes payable		\$ 1,201,840	\$ 1,528,016
Current maturities of long-term debt		412,135	413,208
Accounts payable and accrued expenses		16,551,685	17,263,258
Income taxes		5,403,114	8,468,872
Dividend payable January 2		7,487,540	7,213,884
Total Current Liabilities		31,056,314	34,887,238
Long-Term Debt, 5% to 7%, due on various dates to 1987		2,377,456	2,941,970
Shareholders' Equity:			
Capital stock (Notes C and E)		35,654,953	35,654,953
Additional paid-in capital		10,857,234	11,051,403
Retained earnings		82,487,491	77,528,066
Total Shareholders' Equity		128,999,678	124,234,422
		\$162,433,448	\$162,063,630

See notes to consolidated financial statements.

Consolidated Statement of Net Earnings

	Year ended December 31	
	1970	1969
Revenues:		
Net sales	\$259,427,295	\$253,944,934
Dividends and engineering fees from unconsolidated foreign affiliates	1,498,878	1,150,246
Interest and miscellaneous	1,287,665	1,434,676
	262,213,838	256,529,856
Costs and Expenses:		
Cost of products sold	174,105,993	166,563,228
Selling, service, administrative and general	37,420,032	33,884,578
Interest	555,106	292,076
	212,081,131	200,739,882
Earnings before Income Taxes	50,132,707	55,789,974
Provision for Income Taxes		
including deferred taxes of \$122,518 (1970) and \$1,159,943 (1969)	24,845,491	29,672,674
Net Earnings	\$ 25,287,216	\$ 26,117,300
Net earnings per share based on weighted average number of shares outstanding during the year	\$ 1.18	\$ 1.22

Consolidated Statement of Source and Use of Funds

Source of Funds:		
Operations:		
Net earnings	\$ 25,287,216	\$ 26,117,300
Depreciation	4,549,407	3,430,616
Deferred income taxes	122,518	1,159,943
Total from operations	29,959,141	30,707,859
Increase in dividend liability	273,656	(1,545,521)
Exercise of stock options		16,274
Disposal of property, plant and equipment	82,659	766,775
Decrease in receivables	1,565,544	(4,190,230)
Decrease in cash and marketable securities	6,411,235	2,312,310
Increase in long-term debt		1,500,000
	\$ 38,292,235	\$ 29,567,467
Use of Funds:		
Decrease in notes payable to banks	\$ 326,176	\$ (478,016)
Decrease in accounts payable and accrued expenses	711,573	(1,648,028)
Decrease in income taxes payable	2,847,911	(1,812,766)
Increase in inventories	4,028,224	4,181,608
Additions to property, plant and equipment	8,657,572	8,628,441
Dividends to shareholders	20,327,791	19,901,902
Payments on long-term debt	565,587	158,921
Miscellaneous—net	827,401	635,405
	\$ 38,292,235	\$ 29,567,467

See notes to consolidated financial statements.

Square D Company and Consolidated Subsidiaries

Consolidated Statement of Shareholders' Equity

	Common stock, par value \$1.66 $\frac{2}{3}$ a share; 30,000,000 shares authorized		Additional Paid-in Capital	Retained Earnings
	Shares	Amount		
Preferred Stock—6,000,000 shares authorized, none issued				
Balance, January 1, 1969, as previously reported	20,610,284	\$ 34,350,475	\$ 9,325,772	\$ 68,130,943
Pooling adjustment	781,875	1,303,125	1,710,710	3,181,725
Balance, January 1, 1969, adjusted	21,392,159	35,653,600	11,036,482	71,312,668
Exercise of stock options	812	1,353	14,921	
Net earnings				26,117,300
Cash dividends:				
Square D Company (\$.95 per share)				(19,580,216)
Pooled company prior to pooling				(321,686)
Balance, December 31, 1969	21,392,971	35,654,953	11,051,403	77,528,066
Net earnings				25,287,216
Cash dividends:				
Square D Company (\$.95 per share)				(20,166,947)
Pooled company prior to pooling				(160,844)
Merger expenses			(194,169)	
Balance, December 31, 1970	21,392,971	\$ 35,654,953	\$ 10,857,234	\$ 82,487,491

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Two years ended December 31, 1970

A. Principles of Consolidation:

The consolidated financial statements include the accounts of Square D Company and its wholly-owned subsidiaries. Following is information pertaining to affiliated companies, which are not consolidated:

	1970	1969
Investments at December 31—		
at cost	\$ 2,799,594	\$ 2,799,594
Square D equity in:		
Net assets at December 31	11,519,714	10,337,540
Net earnings for the year	2,177,158	2,262,489
Dividends paid during the year	917,198	618,129
Undistributed earnings for the year (net of estimated taxes)	1,037,667	1,340,708

The consolidated financial statements for the year ended December 31, 1969 have been restated to include the

accounts of Anderson Electric Corporation, combined with the Company during the year ended December 31, 1970 in a transaction accounted for as a pooling of interests. Revenues and net earnings for 1969 before restatement were \$235,541,094 and \$25,324,259.

B. Inventories:

Inventories are stated at the lower of cost or market. Cost is determined on the last-in, first-out (LIFO) method, except for \$10,183,250 at December 31, 1970 and \$9,642,026 at December 31, 1969 on the first-in, first-out (FIFO) method.

C. Stock Options:

Options under the Company's plan are granted at fair market value on date of grant, become exercisable two years after grant and expire five years after grant.

	Number of shares		Average price
	Reserved	Outstanding	
Balance, January 1, 1969	471,650	103,000	\$22.63
Granted		63,000	21.31
Exercised at an aggregate price of \$16,274	(812)	(812)	20.04
Cancelled	(21,138)	(30,313)	21.40
Balance, December 31, 1969	449,700	134,875	22.31
Granted		31,700	19.50
Cancelled		(15,825)	22.91
Balance, December 31, 1970	449,700	150,750	21.65
(57,550 shares exercisable)			23.20

In addition, options to purchase 4,878 shares were outstanding at December 31, 1970 (of which 1,909 were exercisable at an average price of \$23.70) under a stock option plan assumed by the Company in connection with the acquisition of a consolidated subsidiary. No additional options will be granted under this plan.

D. Pension Plans:

The Company has pension plans, primarily non-contributory, covering substantially all of its employees. The total pension expense, including past service costs (amortized over a period not in excess of 30 years from the dates incurred), and current service costs, was \$2,368,000 for 1970 and \$1,930,000 for 1969.

E. Recent Combinations:

In February, 1971, the Company issued 1,072,443 and 83,900 shares of its previously unissued common stock for

substantially all of the assets of Sorgel Electric Corporation, Milwaukee, Wisconsin and Ferro Fabricating Company, Inc., Birmingham, Alabama, respectively. The Company intends to account for these combinations as poolings of interests. Revenues and net earnings of Sorgel and Ferro for their most recent fiscal years are:

	Sorgel (Year ended December 31, 1970)	Ferro (Year ended March 31, 1970)
Revenues	\$13,672,160	\$1,173,680
Net earnings	1,204,043	50,905

F. Reclassifications:

Certain reclassifications have been made in the 1969 consolidated financial statements to conform to the classifications used in 1970.

To the Board of Directors
and Shareholders,
Square D Company:

We have examined the accompanying consolidated balance sheet of Square D Company and consolidated subsidiaries as of December 31, 1970 and 1969, and the related consolidated statements of net earnings, shareholders' equity and source and use of funds for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of Square D Company and consolidated subsidiaries at December 31, 1970 and 1969, the results of their operations and source and use of funds for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Chicago, Illinois
February 22, 1971

TOUCHE ROSS & CO.

Comparison for the 10 Year Period 1961 - 1970 Square D Company and Consolidated Subsidiaries

	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961
<i>(in thousands of dollars)</i>										
Net sales	\$259,427	\$253,945	\$222,149	\$213,607	\$216,842	\$198,598	\$167,572	\$143,993	\$135,582	\$123,420
Earnings before income taxes	50,132	55,790	49,114	46,092	52,918	50,388	42,556	33,900	30,886	24,941
Provision for income taxes	24,845	29,673	25,735	22,402	26,048	24,806	21,343	17,683	16,131	12,996
Net earnings	25,287	26,117	23,379	23,690	26,870	25,582	21,213	16,217	14,755	11,945
Cash dividends	20,328	19,902	19,892	19,807	17,686	16,220	14,533	11,032	10,321	7,723
Earnings retained	4,959	6,215	3,487	3,883	9,184	9,362	6,680	5,185	4,434	4,222
Additions to property and equipment	8,657	8,628	6,115	4,888	2,632	3,634	2,786	3,311	2,993	1,566
Depreciation charge	4,549	3,430	3,112	3,113	3,078	3,054	2,962	2,841	2,758	2,561
Working capital	87,767	87,569	84,828	83,941	81,240	70,587	62,204	56,892	51,636	46,575
Shareholders' equity	128,999	124,234	118,002	113,602	109,553	99,525	89,925	82,911	77,332	72,772
<i>(000 omitted)</i>										
Shares outstanding at end of year	21,392	21,392	21,392	21,342	21,330	21,289	21,266	21,216	21,168	21,151
<i>(in dollars per share)</i>										
Shareholders' equity	\$ 6.03	\$ 5.81	\$ 5.52	\$ 5.32	\$ 5.14	\$ 4.68	\$ 4.23	\$ 3.91	\$ 3.65	\$ 3.44
Net earnings	1.18	1.22	1.09	1.11	1.26	1.20	1.00	.76	.69	.56
Cash dividends	.95	.93	.93	.93	.83	.76	.68	.52	.49	.36

Investment and Equities in Unconsolidated Affiliates

	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961
<i>(in thousands of dollars)</i>										
Investment—at cost	\$ 2,799	\$ 2,799	\$ 2,712	\$ 1,912	\$ 1,912	\$ 1,912	\$ 1,912	\$ 1,949	\$ 1,675	\$ 1,675
Square D equities in: Net assets	11,519	10,337	8,383	7,473	7,052	6,057	5,168	4,820	3,919	3,868
Net earnings	2,177	2,262	2,197	1,290	1,355	1,129	956	590	426	835
Dividends paid	917	618	1,133	868	360	178	719	-0-	384	390

Note: Retroactively adjusted to reflect 1970 pooling of interests and stock splits in 1966 and 1961.

Domestic Operations

Directors

- H. R. BOYER
Retired (former Officer,
General Motors Corporation)
- JAMES H. BURNS
Vice President—Personnel Relations
- PAUL A. CHRISTENSON
Vice President—Manufacturing
- *ALLAN D. EMIL
Partner, Rosenman, Colin, Kaye, Petschek,
Freund and Emil, New York. Attorneys
- *M. P. KARTALIA
President
- *WALTER J. KOHLER
Chairman of the Board, The Vollrath Company,
Sheboygan, Wis. Stainless Steel Products
- *LYNFORD LARDNER, JR.
Partner, Foley & Lardner,
Milwaukee, Wis. Attorneys
- JAMES H. LORIE
Professor of Business Administration
University of Chicago, Chicago, Ill.
- *L. G. MAECHTLIN
Former Chairman of the
Board of the Company
- *JAMES F. MAGIN
Vice President—Planning and
Physical Distribution
- GRANT McDONALD
Vice President—Group Manager
- *GRAHAM J. MORGAN
Chairman of the Board,
United States Gypsum Company,
Chicago, Ill. Building Materials
- *T. R. OAKES
Former Vice President—Secretary-Treasurer
of the Company
- ANDREW L. PONTIUS
Retired (former President, The Powers
Regulator Company, Skokie, Ill.)

*Members of Executive Committee

Honorary Directors

HOWARD HALL
JOSEPH H. PENGILLY

Officers

- M. P. KARTALIA
President
- JAMES H. BURNS
Vice President—Personnel Relations
- PAUL A. CHRISTENSON
Vice President—Manufacturing
- W. R. CLARKE
Vice President—Marketing
- E. R. FOWLER
Secretary
- JAMES F. MAGIN
Vice President—Planning and
Physical Distribution
- J. P. MAYOTTE
Vice President—International
- GRANT McDONALD
Vice President—Group Manager
- WALTER G. NOLLENBERGER
Vice President—Group Manager
- R. E. SHERIDAN
Treasurer—Controller
- J. S. VAUGHAN
Vice President—Group Manager
- D. E. WILSON
Vice President—Finance
- ROBERT E. KING
Commercial Vice President
- R. W. THOMPSON
Commercial Vice President

Manufacturing Plants

Asheville, N. C.
Cedar Rapids, Ia.
Cleveland, O.
Glendale, Wis.
Huntington, Ind.
Lexington, Ky.
Lincoln, Nebr.
(Under construction)
Middletown, O.
Milwaukee, Wis.
Oxford, O.
Peru, Ind.
Three Rivers, Mich.

Assembly Plants

Atlanta, Ga.
Chicago, Ill.
Dallas, Tex.
Denver, Colo.
Detroit, Mich.
Los Angeles, Calif.
Seattle, Wash.
Secaucus, N. J.

Physical Distribution System

Central Warehouse
Florence, Ky.

Service Centers
Atlanta, Ga.
Chicago, Ill.
Dallas, Tex.
Detroit, Mich.
Los Angeles, Calif.
Lyndhurst, N. J.
Omaha, Nebr.
Seattle, Wash.
Tampa, Fla.

Subsidiaries

Anderson Electric
Clanton, Ala.
Helena, Ala.
Leeds, Ala.
Ferro Fabricating
Birmingham, Ala.
Sorgel Electric
Milwaukee, Wis.

Foreign Operations

Square D Company Canada Limited—Toronto
Manufacturing Plants in Toronto and
Stratford, Ontario; assembly facilities in
Montreal and Vancouver; warehouses in
Montreal, Toronto, Vancouver and Winnipeg

Square D Limited—Swindon, England

Square D de Mexico, S. A.—Mexico City

Square D Italia S.p.A.—Arenzano

Square D Company Australia Pty.
Limited—Melbourne

Square D France S. A.—Paris

